

UNITED STATES DISTRICT COURT  
DISTRICT OF MASSACHUSETTS

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

Case No. 1:14 CV 11858-NMG

TELEXFREE, INC.,  
TELEXFREE LLC,  
JAMES M. MERRILL,  
CARLOS N. WANZELER,  
STEVEN M. LABRIOLA,  
JOSEPH H. CRAFT,  
SANDERLEY RODRIGUES DE VASCONCELOS,  
SANTIAGO DE LA ROSA,  
RANDY N. CROSBY and  
FAITH R. SLOAN,

Defendants,

and

TELEXFREE FINANCIAL, INC.,  
TELEXELECTRIC, LLC and  
TELEX MOBILE HOLDINGS, INC.,

Relief Defendants.

**ORDER TO PROVIDE ACCOUNTINGS AND CARVE-OUT AS TO SANDERLEY  
RODRIGUES DE VASCONCELOS**

On the basis of the assented-to motion filed by plaintiff Securities and Exchange Commission ("Commission") to modify the Preliminary Injunction Order Freezing Assets and Order as to Other Equitable Relief as to Defendant Sanderley Rodrigues de Vasconcelos ("Preliminary Injunction Order") (ECF: 89), and to order Rodrigues to provide a further accounting, the following is **hereby ordered**:

**I.**

**It is hereby ordered** that Rodrigues shall submit in writing signed under pain and penalty of perjury and serve upon the Commission, within five (5) business days following entry of this order an accounting identifying:

A. All transfers or payments of funds to him or any other entity controlled by him from investors or “promoters” in connection with the misconduct described in the Complaint (the identification shall include the amount of each such transfer or payment, the date of the transfer or payment, and the name, address, account number and financial institution of the party making and the party receiving the transfer or payment);

B. in detail, the precise disposition of each transfer or payment identified in response to paragraph I.A above and all assets derived therefrom, including but not limited to:

- a. the nature and results of any investment in which the funds were used;
- b. any subsequent transfer or payment of the funds (the identification shall include the amount of each such transfer or payment, the date of the transfer or payment, the name, address, account number and financial institution of the party making and receiving the transfer or payment, and the reason for the transfer or payment); and
- c. any fees or expenses charged and a detailed statement of the nature and purpose of such fees and expenses.

C. by name and address, all persons, entities and accounts currently holding funds or assets derived from the transfers or payments described in paragraph I.A above and the reason each received the funds or assets (the identification shall include the amount each received, the date received, the reason received, the institution and account number or location in which the

funds or other assets are held and the name, address, account number and financial institution of the person or entity who provided each with the funds or other assets);

D. assets of every type and description with a value of at least five hundred dollars (\$500) presently owned by or held for the direct or indirect benefit, or subject to the direct or indirect control, of Rodrigues, whether in the United States or elsewhere prior to April 15, 2014;

E. all accounts held at any bank, brokerage or other financial institution in the United States or elsewhere in the name, for the direct or indirect benefit, or under the direct or indirect control, of TelexFree and/or the Individual Defendants, or in which TelexFree and/or the Individual Defendants has or had any direct or indirect beneficial interest, at any time from January 1, 2012 to the present.

## II.

**It is hereby further ordered that** Rodrigues shall submit in writing signed under pain and penalty of perjury and serve upon the Commission, within five (5) business days following entry of this order an accounting providing:

A. A list of all domestic and foreign businesses that he has a direct or indirect ownership interest and/or direct or indirect controls:

1. For each business, a list date of incorporation and owners.
2. A list of all financial accounts, including but not limited to bank accounts, brokerage account, investment accounts, and payment processor accounts, held by those businesses from April 15, 2014, forward including both domestic and foreign accounts. The list includes, but is not limited to, institution name, account number and signatories.
3. A list of any transactions that occurred in paragraph II.A.2 from the date

of April 15, 2014 forward.

4. A list of the recipients of any of the funds transferred from any account identified in paragraph II.A.2.

5. A list of all assets owned by those businesses (or were owned by those businesses) of more than \$500, including but not limited to, real property, cars, jewelry, and boats).

6. To the extent that any of those assets identified in paragraph II.A.5. were sold or transferred, identify the buyer (recipient), the amount of money of received for the sale and the disposition of the proceeds.

**B. It is hereby further ordered** that Rodrigues shall submit in writing signed under pain and penalty of perjury and serve upon the Commission, within five (5) business days following entry of this order an accounting providing a list of all financial accounts, including but not limited to bank accounts, brokerage account, investment accounts, payment processor accounts, in which Rodrigues, his wife, and/or his dependent children have a direct or indirect beneficial interest, or over which they have exercised direct or indirect control from April 15, 2014, forward including both domestic and foreign accounts. The list will include, but is not limited to, institution name, account number and signatories.

**C. It is hereby further ordered** that Rodrigues shall submit in writing signed under pain and penalty of perjury and serve upon the Commission, within five (5) business days following entry of this order an accounting providing a list of any transactions that occurred in paragraph II.B from April 15, 2014 forward.

**D. It is hereby further ordered** that Rodrigues shall submit in writing signed under pain and penalty of perjury and serve upon the Commission, within five (5) business days

following entry of this order an accounting providing a list the recipients of any of the funds transferred from any account identified in paragraph II.B.

E. **It is hereby further ordered** that Rodrigues shall submit in writing signed under pain and penalty of perjury and serve upon the Commission, within five (5) business days following entry of this order an accounting providing a list all assets owned by Rodrigues or his wife or dependent children of more than \$500, including but not limited to, real property, cars, jewelry, and boats from April 15, 2014 forward.

F. **It is hereby further ordered** that to the extent that any of those assets identified in paragraph II.E. were sold or transferred after April 15, 2014, that Rodrigues shall submit in writing signed under pain and penalty of perjury and serve upon the Commission, within five (5) business days following entry of this order an accounting listing the amount of money of received for the sale and the disposition of the proceeds.

III.

It is **hereby further ordered** that Rodrigues may withdraw \$200,000 from account from Center State Bank account number xxxx3721 to be used for bail in an unrelated criminal case pending in the District of Massachusetts.

  
UNITED STATES DISTRICT JUDGE

Dated: June 10, 2015.